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1963 Annual Report



CANADIAN WILLISTON MINERALS LTD.

63.4% owned by GRIDOLI FREEHOLD LEASES LTD



CANADIAN WILLISTON MINERALS LTD.

AUTHORIZED
PAR VALUE 6¢ PER SHARE
ISSUED

6,000,000 SHARES
3,965,000 SHARES

CAPITALIZATION

ERIC CONNELLY	<i>Calgary, Alberta</i>
WILLIAM L. JAMES	<i>Calgary, Alberta</i>
ARTHUR R. MORISON	<i>Calgary, Alberta</i>
CARL O. NICKLE	<i>Calgary, Alberta</i>
S. C. NICKLE, SR.	<i>Calgary, Alberta</i>
SAM C. NICKLE	<i>Calgary, Alberta</i>

DIRECTORS

S. C. NICKLE, SR.	<i>President</i>
SAM C. NICKLE	<i>Vice-President</i>
ARTHUR R. MORISON	<i>Treasurer</i>
WILLIAM L. JAMES	<i>Secretary</i>

OFFICERS

CANADA
PRUDENTIAL TRUST COMPANY LIMITED
TORONTO, MONTREAL AND CALGARY

U.S.A.
UNITED STATES TRUST COMPANY OF NEW YORK
NEW YORK, N.Y.

TRANSFER AGENTS AND REGISTRARS

BANK OF MONTREAL

BANKERS

PRICE WATERHOUSE & Co.

AUDITORS



CANADIAN WILLISTON MINERALS LTD.

REPORT TO THE SHAREHOLDERS

Operations

The Company supported with acreage contributions seventeen test wells drilled on Company properties during 1963. The wells successfully placed on production amounted to 11 oil wells. The Company retained a gross royalty of 8.75% to 11.25% on all production obtained from these properties.

Royalty

The Company is now receiving royalty income varying from 3.125% to 14.25% from over 90 producing oilwells. Royalty income for 1963 increased by 37% to \$144,729 from the previous year's total of \$105,363.

Financial

Gross income was \$222,591 including sale of mineral rights for \$47,943 in areas outside the area of petroleum and natural gas interests, together with royalty income of \$22,764 applicable to prior years. Operating expenses were reduced by \$11,044 compared to 1962.

A reduction of \$116,395 was made in the amount due the parent, Gridoil Freehold Leases Ltd. Early in 1964 the Company obtained bank loans sufficient to pay the balance due the parent company.

New Directors

At the Annual General Meeting of Shareholders of the Company held on April 30, 1963, Mr. Arthur R. Morison, C.A., and Mr. William L. James, BA, LL.B., associated with the Company since 1956, were elected Directors of the Company. Mr. Morison and Mr. James form welcome additions to the Board of Directors of Canadian Williston Minerals Ltd.

On behalf of the Board.

S. C. NICKLE,
President.

April 20, 1964.

ANNUAL MEETING — The Annual General Meeting of the Shareholders will be held at the Head Office of the Company, 330 - 9th Avenue South West, Calgary, Alberta on May 27, 1964.

AUDITORS' REPORT

To the Shareholders of
CANADIAN WILLISTON MINERALS LTD.

We have examined the balance sheet of Canadian Williston Minerals Ltd. at December 31, 1963 and have obtained all the information and explanations we have required. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

As explained in Note 2, all expenses less income have been deferred; the company is deemed to have realized no profit or sustained no loss and therefore no profit and loss statement is submitted.

In our opinion, and according to the best of our information and the explanations given to us and as shown by the books of the company, the accompanying balance sheet, and the notes thereto, are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the company as at December 31, 1963, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

PRICE WATERHOUSE & CO.

Chartered Accountants

Calgary, Alberta
March 15, 1964

CANADIAN WILLIST**BALANCE SHEET AT**
(with comparative figures)**ASSETS**

	<u>1963</u>	<u>1962</u>
CURRENT ASSETS		
Cash	\$ 19,661	\$ 5,278
Accounts receivable	46,602	30,564
Deposits at land registry offices	1,462	2,286
	<hr/> 67,725	<hr/> 38,128
AMOUNT RECOVERABLE FROM FUTURE ROYALTY INCOME	60,340	75,401
CAPITAL ASSETS		
Mineral interests in approximately 1,400,000 acres of undeveloped freehold properties acquired in consideration for the issue of 3,861,000 shares of the company's capital (Note 1)	3,050,000	3,050,000
DEFERRED EXPENSES (Note 2)		
Title registration costs	195,193	192,654
General and administrative expenses less income to date	265,814	391,630
Organization and financing expenses	14,497	14,497
	<hr/> 475,504	<hr/> 598,781
	<hr/> \$3,653,569	<hr/> \$3,762,310

The Auditors' Report is attached



ON MINERALS LTD.

DECEMBER 31, 1963

(figures for 1962)

LIABILITIES

	1963	1962
CURRENT LIABILITIES		
Accounts payable	\$ 1,005	\$ 1,500
Due to parent company, Gridoil Freehold Leases Ltd. (Note 4)	356,915	473,310
Mineral taxes	10,649	2,500
	<hr/> 368,569	<hr/> 477,310

SHAREHOLDERS' OWNERSHIP

Share capital —		
Authorized — 6,000,000 shares of a par value of 6 cents each		
Issued — 3,965,000 shares	237,900	237,900
Capital in excess of par value	3,047,100	3,047,100
	<hr/> 3,285,000	<hr/> 3,285,000

Signed on behalf of the Board,

S. C. NICKLE, SR., Director

SAM C. NICKLE, Director

\$3,653,569 \$3,762,310

ched to this Balance Sheet

CANADIAN WILLISTON MINERALS LTD.

NOTES TO BALANCE SHEET

1. The amount of \$3,050,000 assigned to interests in minerals and lease options represents the approximate cost to the vendors of the interests and options.
2. Only a small portion of the properties of the company has been developed and it is considered that the company has not reached an operating stage. Accordingly all expenses, less income, have been deferred and no profit and loss statement is submitted. Particulars of deferred expenses as at December 31, 1963 are summarized hereunder:

	Total to December 31, 1962	Year ended December 31, 1963	Total to December 31, 1963
Title Registration Costs:			
Cost of liaison with mineral owners	\$134,874	\$ —	\$ 134,874
Registration of transfers	57,780	2,539	60,319
	<hr/> 192,654	<hr/> 2,539	<hr/> 195,193
General and Administrative Expenses,			
less income to date:			
Land department expenses and administrative fees	526,815	48,686	575,501
Interest on advances from parent company	148,744	24,346	173,090
Legal and audit fees	110,520	7,072	117,592
Transfer agent expenses	68,860	6,558	75,418
Mineral taxes	90,301	6,865	97,166
Lease rentals	8,684	(430)	8,254
General expenses	38,519	3,678	42,197
	<hr/> 992,443	<hr/> 96,775	<hr/> 1,089,218
<i>Less —</i>			
Royalty income	464,220	144,729	608,949
Royalty income applicable to prior years (Note 3)	—	22,764	22,764
Interest earned	32,295	2,481	34,776
Sale of mineral interests	104,298	47,943	152,241
Other income	—	4,674	4,674
	<hr/> 600,813	<hr/> 222,591	<hr/> 823,404
	<hr/> 391,630	<hr/> (125,816)	<hr/> 265,814
Organization and Finance Expenses	<hr/> 14,497	<hr/> —	<hr/> 14,497
	<hr/> \$598,781	<hr/> (\$123,277)	<hr/> \$ 475,504

3. In 1963 the Appeal Court of Saskatchewan brought down a judgment in favour of the Company involving royalty income of \$85,466 of which \$64,009 was applicable to 1962 and prior years. This judgment confirmed a previous decision of the Trial Court. However Notice of Appeal to the Supreme Court of Canada has been given and, pending the final disposition of such appeal, this amount has been excluded from the accounts.
In 1963 the Company settled litigation involving royalty income of \$28,562 of which \$22,764 was applicable to 1962 and prior years. This amount has been recorded in the accounts.
4. Subsequent to 1963 the Company obtained a bank loan of \$350,000 payable in six annual instalments. The proceeds were used to pay the amount owing to the parent company.





1963 Annual Report, Canadian Williston Minerals Ltd.